

NEWS FROM

Alabama Student Loan Program—KHEAA

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Financial Aid Tip of the Month, July 2006

Private loans bridge gap between college costs, student aid

Many sources of financial aid are available to help college-bound students pay higher education expenses, including federal and state grants, scholarships and Federal Stafford and PLUS Loans. In addition, merit-based scholarships and need-based grants are often available at the local level.

All these programs can help ease the burden of paying for college; however, sometimes they don't add up to enough to pay college costs. When that happens, parents and students can take advantage of private student loans, usually called alternative loans.

In addition to providing Federal Stafford and PLUS Loans in Alabama, The Student Loan Peoplesm offers the Advantage Loan. This loan helps bridge the gap between the cost of college and the financial aid a student has received. Features include:

- Loans available from \$1,000 to \$25,000.
- Competitive interest rates and flexible terms.
- No origination fees.
- 24-hour online account access.
- Fast loan disbursements.
- Instant credit decisions online and by phone.
- Affordable monthly payments.
- Principal deferment options available for most students upon request.

As with all loans, students need to do some research before committing themselves to borrowing. The amount that can be borrowed and the interest rate will largely depend on the borrower's credit rating, but differences do exist among lenders. Students should compare the loans offered by various lenders to make sure they get the best deal possible.

For more information about student financial aid and college planning, visit www.alstudentaid.com; write the Alabama Student Loan Program, 100 North Union Street, Suite 308, Montgomery, AL 36104-3761; or call 334-265-9720, toll free (800) 721-9720.